# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:2557
ANSWERED ON:18.08.2006
HOME LOAN TO RURAL AREAS
Mahato Shri Sunil Kumar

**Will the Minister of FINANCE be pleased to state:**

(a) whether the public sector banks are providing home loans in cities only and not in rural areas ;

(b) if so, the reasons therefor;

(c) the amount of home loan provided to cities and rural areas, percentage-wise by the public sector banks during the last two years; and

(d) the steps taken by the Government to provide home loan in rural areas ?

## Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to(c) As reported by Reserve Bank of India (RBI), the amounts of outstanding housing loans provided by public sector banks in rural, semi urban, urban and metropolitan areas and percentage thereof as on 3tst March, 2004 and 31st March, 2005 are as under :

| | 2004 Amount O/S (Rs.crore s) | Percentage Amount O/S (Rs. crores) | 2005 | |
|---|---|---|---|---|
| Rural | 6123 | 11.05 | 9433 | 11.55 |
| Semi-urban | 11265 | 20.33 | 16350 | 20.01 |
| Urban | 18532 | 33.45 | 26336 | 32.24 |
| Metropolitan | 19484 | 35.17 | 29580 | 36.21 |
| Total | 55405 | 100.00 | 81700 | 100.00 |

(d) Steps taken by RBI/Government to provide home loan in rural areas inter alia include:

(i) Housing sector advances given by banks in rural and semi-urban, urban and metropolitan areas(for housing purpose) are being treated as priority sector.

(ii) Golden Jubilee Rural Housing Finance Scheme was introduced in 1997. The Public Sector Banks have provided an amount of Rs.5773.79 crore to 229713 dwelling units during the year 2005-06.

(iii) Loans up to Rs. 5 lakhs to individuals for acquiring or constructing new dwelling units and upto Rs.50,000/- for up-gradation or major repairs to the existing units in rural areas under Special Rural Housing Scheme of National Housing Bank.

(iv) Banks have been advised that while fixing the repayment schedule in case of rural housing advances granted to agriculturists under Indira Awas Yojana and Golden Jubilee Rural Housing Finance Scheme,banks may ensure that the interest/installment payable on such advances are linked to crop cycles.